

Jun-4-2009

Subj. Delphi Salaried Retiree Benefit Implosion

Dear Sen. Parker Griffith,

I would like to share several thoughts with you concerning the just announced Delphi reorganization plan in which President Obama's Auto Task Force (ATF) was a party to the recently completed mediation. This agreement included GM representation due to contractual obligations left from the Delphi spin-off ten years ago. These are some prevailing thoughts among those of us most directly affected.

Having just viewed yesterday 6/3/09, on TV, a congressional inquiry between the GM and Chrysler CEO's, National Dealer Association rep., and two small town car dealers who are losing dealerships, it occurred to me just how little Congressional oversight there is of the currently huge bankruptcy undertakings for GM and Delphi, not to mention Chrysler. I'd like your help to contact the right individuals/committee in order to have a similar meeting before a congressional committee, to get awareness out for the benefit of all Delphi salaried personnel, including your North Alabama constituency.

Ron Bloom of the Auto Task force has publicly stated that they're actively looking for reasonable solutions to complex and difficult problems facing the automobile companies and their suppliers. I don't see where any party within GM or Delphi is giving up anything near what the salaried Delphi retirees are being asked to. Explain if you can where the rationale is based on the following:

1. The Delphi defined benefit pension plans have the hourly (UAW represented) portion being assumed by GM through contractual obligations. Our Delphi salaried pension plan is about 54% funded (or \$2 billion underfunded) and most likely will go to the PBGC. GM, the UAW, and the PBGC are working together to keep the GM pension out of government control (to include a large Federal subsidy!). Why can't they work with Delphi in a similar manner? Treasury says they don't have \$2 billion extra fund it with, so, why take it over in the most severe stock market/economic downturn in at least 20 years? I'm not seeing how the outcome could be judged as reasonable by any objective analysis. GM and Delphi hourly retiree and GM salaried retiree pensions are saved, but the Delphi salaried pension is turned over to the PBGC to have benefits cut drastically? As a taxpayer, I don't want the liability of Delphi's pension. Make the "Good" part of Delphi (Steering Div.), which goes back to GM in the upcoming proceedings, continue to pay into the Delphi salaried pension plan, give the markets a year or two to recover, and then see where the pension funding level is!!!! This pension is frozen, meaning the number of people drawing from this fund is fixed (unfortunately declining) with no additional pension payment increases available for each individual.

2. Retiree health insurance coverage - Delphi/GM hourly retirees receive a heavily subsidized VEBA, GM salaried retirees maintain their coverage, but Delphi salaried retirees will likely never see the majority of the court ordered \$8.75 million that was

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exchanged for a \$1.1 billion dollar liability owed to us. Most of the Delphi salaried were forced to stay and not transfer back to GM during the Delphi spinoff, including myself, and we're now being dumped. Interesting to note that Delphi agreed to this once they found they could get out of paying these claims; they even "booked" a profit from it in the 1st quarter by taking credit for it before it kicked in during April!

3. Severance package-

As you know, the Athens, Al. Delphi site is undergoing final closure this year. The temporary hourly workforce hired 2-3 years ago gets a guaranteed \$40,000 max in severance pay (roughly 1.5 to 2 years pay). Athens Delphi Salaried personnel, most with over 25 years service to GM and Delphi, have a signed, binding, legal release document agreeing to a year's pay that, with the modified agreement submitted in bankruptcy court this week, cuts us all back to 6 months pay. Worse yet, those that left Delphi prior to this past Monday, only draw severance through the end of the proceedings expected to be July 31, 2009. We have fellow employees that were to draw 12 months severance, which left with a binding legal document just last month, which will now only draw at most 2-3 months severance pay. Some of the severance documents were signed just last week, with Delphi Headquarters knowing the upcoming June 1 cutoff date. Of course, they have the option of suing Delphi for any unpaid severance which we consider high risk due to the financial condition of the company and the number of creditors.

In closing, it appears there's something terribly wrong with a country whose leadership is an active participant in something this discriminatory toward a single group of employees. I challenge you to please tell me where I am wrong!

If you agree with me, then is it possible to get a congressional inquiry into these actions before it's too late for us? I'd like to see Mr. Steve Miller and Mr. Rodney O'Neal from Delphi, in front of Congress, justifying what's been done. Note that their "Rabbi" trust fund insures they get their pension /bonus monies up front, with Mr. O'Neal drawing out about \$45 million (I can forward supporting information from the court filing for this)!! Be advised the modified reorganization/bankruptcy exit plans hearing is due up in mid-July before Judge Drain, so time is very short.

Please email or call me 24-7 for additional information. I can even be in Washington with just a day or two's notice, but I will drive a 9 year old Pontiac rather than fly via a Lear Jet (LOL, apologies to the Mr. Wagonner)!

Sincerely yours,

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